



## Ag 101

<http://www.epa.gov/agriculture/ag101/demographics.html>

Last updated on Thursday, September 10, 2009

You are here: [EPA Home](#) [Agriculture](#) [Ag 101](#) Demographics

## Demographics

There are over 285,000,000 people living in the United States. Of that population, less than 1% claim farming as an occupation (and about 2% actually live on farms). There are only about 960,000 persons claiming farming as their principal occupation and a similar number of farmers claiming some other principal occupation. The number of farms in the U.S. stands at about two million.

### What is a farm?

For the purposes of the U.S. Census, a farm is any establishment which produced and sold, or normally would have produced and sold, \$1,000 or more of agricultural products during the year. (Government subsidies are included in sales.) By that definition, there are just over 2.1 million farms in the United States.

It has been estimated that living expenses for the average farm family exceed \$47,000 per year. Clearly, many farms that meet the U.S. Census' definition would not produce sufficient income to meet farm family living expenses. In fact, fewer than 1 in 4 of the farms in this country produce gross revenues in excess of \$50,000.

According to the 1997 Census of Agriculture, the vast majority of farms in this country (90%) are owned and operated by individuals or families. The next largest category of ownership is partnerships (6%). The "Corporate" farms account for only 3% of U.S. farms and 90% of those are family owned. However, the term "family farm" does not necessarily equate with "small farm"; nor does a "corporate farm" necessarily mean a large-scale operation owned and operated by a multi-national corporation. Many of the country's largest agricultural enterprises are family owned. Likewise, many farm families have formed modest-sized corporations to take advantage of legal and accounting benefits of that type of business enterprise.

In spite of the predominance of family farms, there is strong evidence of a trend toward concentration in agricultural production. By 1997, a mere 46,000 of the two million farms in this country accounted for 50% of sales of agricultural products (USDA, 1997 Census of Agriculture data). That number was down from almost 62,000 in 1992.

In 1935, the number of farms in the United States peaked at 6.8 million as the population edged over 127 million citizens. As the number of farmers has declined, the demand for agricultural products has increased. This increased demand has been met (and exceeded) with the aid of large-scale mechanization (the use of large, productive pieces of farm equipment), improved crop varieties, commercial fertilizers, and pesticides. The need for human labor has also declined as evidenced by the increase in agricultural labor efficiency – from 27.5 acres/worker in 1890 to 740 acres/worker in 1990 (Illinois data; Hunt, 2001).

As the U.S. farm population has dwindled, the average age of farmers continues to rise. In fact, about forty percent of the farmers in this country are 55 years old or older (Bureau of Labor Statistics). The graying of the farm population has led to concerns about the long-term health of family farms as an American institution.

So, back to the question of what is a farm. According to Ross Korves, Deputy Chief Economist for the American Farm Bureau Federation, there are eight types of farms in the United States that can be grouped into two categories:

### **Small Family Farms (sales less than \$250,000)**

1. Retirement farms - Small farms whose operators report they are retired (excludes limited-resource farms operated by retired farmers).
2. Residential/lifestyle farms - Small farms whose operators report a major occupation other than farming (excludes limited resource farms).
3. Limited-resource farms - Any small farm with: gross sales less than \$100,000, total farm assets less than \$150,000, and total operator household income less than \$20,000.
4. Farming occupation/lower-sales farms - Small farms with sales less than \$100,000 whose operators report farming as their major occupation (excludes limited-resource farms whose operators report farming as their major occupation).
5. Farming occupation/higher-sales farms - Small farms with sales between \$100,000 and \$249,000 whose operators report farming as their major occupation.

### **Other Farms**

1. Large family farms – Farms with sales between \$250,000 and \$499,999.
2. Very large family farms – Farms with sales of \$500,000 or more.
3. Non-family farms – Farms organized as non-family corporations or cooperatives, as well as farms operated by hired managers.

Based on these definitions of farm types, the number of farms within each type is shown in the following table:

<b>Farm Type</b>	<b>Number of Farms</b>	<b>Percent of Farms</b>
Non-Family Farms	42,300	2.0
Farming Sales > \$500,000	61,300	3.0
Farming Sales \$250,000 - \$499,999	91,900	4.5
Limited Resource	150,300	7.3
Farming Sales \$100,000 - \$249,999	171,500	8.3
Retirement	290,900	14.1
Farming Sales < \$100,000	422,200	20.4
Residential/Lifestyle	834,300	40.4
<b>TOTAL</b>	<b>2,064,700</b>	<b>100.0</b>

Given the different types of farms described above, it is easy to see that there is a wide variation in what constitutes a farm in the United States. Any criterion for declaring a farm small or large, viable or otherwise is open to debate. When asked the question, "How large would a crop and livestock operation have to be to be considered economically viable for the long term?" a group of Purdue University agricultural economists offered the following response in 2002:

*An economically viable crop/livestock operation in the Corn Belt would have between 2,000 and 3,000 acres of row crops and between 500 and 600 sows.*